



**UNITED STATES DEPARTMENT OF COMMERCE  
Patent and Trademark Office**

Address: COMMISSIONER OF PATENTS AND TRADEMARKS  
Washington, D.C. 20231

APPLICATION NO. 325	FILING DATE 08/23/99	SHORT FIRST NAMED INVENTOR	ATTORNEY DOCKET NO. 003660, P001X
---------------------	----------------------	----------------------------	-----------------------------------

TM21/0814  
BLAKELY SOKOLOFF TAYLOR & ZAFMAN  
12400 WILSHIRE BOULEVARD  
7TH FLOOR  
LOS ANGELES CA 90025

EXAMINER YOUNG, J
----------------------

ART UNIT 2162	PAPER NUMBER
------------------	--------------

DATE MAILED: 08/14/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

**BEST AVAILABLE COPY**

# Office Action Summary

Application No.  
09/339,325

Applicant(s)  
Shoham et al.

Examiner  
John Young

Art Unit  
2162



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 5/17/2001, paper#5 Amendment A
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-7, 9-13, and 15-23 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-7, 9-13, and 15-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- a) ☐ All b) ☐ Some\* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\*See the attached detailed Office action for a list of the certified copies not received.

- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

- 15) ☐ Notice of References Cited (PTO-892)
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 17) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 6
- 18) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 19) ☐ Notice of Informal Patent Application (PTO-152)
- 20) ☐ Other:

Art Unit: 2162

## **FINAL REJECTION**

### **DRAWING OBJECTIONS**

1. This application has been filed with drawings that are acceptable for examination and publication purposes. The review process for drawings that are included with applications on filing has been modified in view of the new requirement to publish applications at eighteen months after the filing date of applications, or any priority date claimed under 35 U.S.C. §§119, 120, 121, or 365.

### **CLAIM REJECTIONS — 35 U.S.C. §112 ¶2**

2. **Rejections Withdrawn for claims 15 and 16-21.**

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 11-13 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Art Unit: 2162

Dependent claims 11-13 are rejected as indefinite pursuant to 35 U.S.C. §112 ¶2 as lacking antecedent basis in the claims for the phrase: "The universal auction system as in claim 8. . . ." Because claim 8 has been canceled by Applicant.

Claims 12-13 are rejected pursuant to 35 U.S.C. §112 ¶2 for substantially the same reasons as claim 11 and because said claims depend from claim 11.

**FURTHERMORE**, claims 11-13 cannot be examined on the merits because of their status based on the 35 U.S.C. §112 ¶2 rejections.

**ORIGINAL CLAIM REJECTIONS — 35 U.S.C. §103(a)**

**CLAIM REJECTIONS — 35 U.S.C. §103(a)**

The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person

Art Unit: 2162

having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Independent claim 1 and dependent claims 2-7 are rejected under 35 U.S.C. §103(a) as being unpatentable over Franklin et al. 6,055,518 (04/25/2000) [f/d: 11/12/1996] (herein referred to as "Franklin").

As per claim 1, Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-28; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) shows elements that suggest a "universal auction system having a programmable auction server, the programmable auction server comprising: a plurality of auction modules wherein at least one auction module corresponds to at least one function of an auction selected from the group consisting of a bid verifier, an information manager, a clearer, a registration manager, and a proxy bidder."

Franklin does not explicitly show "a proxy bidder. . . ." even though Franklin (col. 4, ll. 11-15) suggests "a proxy bidder."

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin's "*identity of a . . . bidder [is] not revealed. . . .*" (See Franklin col. 4, ll. 11-15) would have been selected in accordance with "a proxy bidder. . . ." because such security measures would have provided a means to optimize secrecy. (See Franklin col. 4, ll. 11-15).

Art Unit: 2162

Dependent claim 2 is rejected for substantially the same reasons as claim 1.

As per dependent claim 3, Franklin shows the system of claim 1 (See the rejection of claim 1 supra).

Franklin (FIG. 1; FIG. 2; col. 2, ll. 60-67; col. 3, ll. 1-2; col. 3, ll. 4-50; col. 4, ll. 35-50; col. 5, ll. 5-12; and col. 6, ll. 38-42) shows elements that suggest “a set of trading primitives; a script interpreter for interpreting a temporal protocol script representing an auction specification, the script including references to at least a portion of the set of trading primitives; and means for switching an auction specification of one phase with an auction specification of another phase.”

Franklin does not explicitly show “means for switching an auction specification of one phase with an auction specification of another phase. . . .” even though Franklin (col. 3, ll. 4-50) suggests “means for switching an auction specification of one phase with an auction specification of another phase. . . .”

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin's “*auction typically consists of two phases. . . . At some point the bidding period is closed, thus initiating the second phase. . . .*” (See Franklin col. 3, ll. 3-10) would have been selected in accordance with “means for switching an auction specification of one phase with an auction specification of another phase. . . .” because

Art Unit: 2162

such switching measures would have “guaranteed that no bid is revealed prior to the close of the bidding period.” (See Franklin col. 2, ll. 1-2).

As per dependent claim 4, Franklin shows the system of claim 3 (See the rejection of claim 3 supra).

Franklin (FIG. 1; FIG. 2; col. 2, ll. 60-67; col. 3, ll. 1-2; col. 3, ll. 4-10) shows elements that suggest “at least one auction module of one phase is replaced with at least one auction module of another phase.”

Franklin does not explicitly show “at least one auction module of one phase is replaced with at least one auction module of another phase. . . .” even though Franklin (FIG. 1; FIG. 2; col. 2, ll. 60-67; col. 3, ll. 1-2; col. 3, ll. 4-10) suggests “at least one auction module of one phase is replaced with at least one auction module of another phase.”

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin's “*communications links and switching processors. . . .*” would have been selected in accordance with “at least one auction module of one phase is replaced with at least one auction module of another phase. . . .” because such switching measures would have provided means for a secure on-line auction network. (See Franklin col. 2, ll. 1-3).

Art Unit: 2162

As per dependent claim 5, Franklin shows the system of claim 1 (See the rejection of claim 1 supra).

Franklin (col. 3, ll. 4-58) shows elements that suggest “at least one phase comprising an interval in which at least one transaction occurs, the transaction is selected from the group comprising submitting a bid, admitting a bid, withdrawing a bid, and replacing a bid.”

Franklin does not explicitly show “replacing a bid. . . .” even though Franklin (col. 3, ll. 4-58) suggests “replacing a bid.”

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin’s “*insert a bid. . . .*” would have been selected in accordance with “replacing a bid. . . .” because such measures would have provided means for implementing an on-line auction network. (See Franklin col. 2, ll. 1-3; and col. 3, ll. 1-50).

As per dependent claim 6, Franklin shows the method of claim 5 (See the rejection of claim 5 supra).

Franklin (col. 4, ll. 1-6; and col. 3, ll. 4-14) shows elements that suggest “wherein the phase is terminated by a condition.”

Franklin does not explicitly show “wherein the phase is terminated by a condition. . . .” even though Franklin (col. 4, ll. 1-6; and col. 3, ll. 4-14) suggests “wherein the phase is terminated by a condition.”



Art Unit: 2162

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin's (col. 4, ll. 1-6; and col. 3, ll. 4-14) "*Validity . . . conditions. . .*" and "*two phases. . .*" would have been selected in accordance with "wherein the phase is terminated by a condition. . . ." because such conditions would have facilitated complex on-line financial transactions, such as sealed bid auctions. (See Franklin col. 1, ll. 16-56).

As per dependent claim 7, Franklin shows the method of claim 6 (See the rejection of claim 5 supra).

Franklin (col. 4, ll. 1-6; and col. 3, ll. 4-14) shows elements that suggest "wherein the condition is a time period."

Franklin does not explicitly show "wherein the condition is a time period. . . ." even though Franklin (col. 4, ll. 1-6; and col. 3, ll. 4-14) suggests same.

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin (col. 4, ll. 1-6; and col. 3, ll. 4-14) "*Validity . . . conditions. . .*"; "*two phases. . .*"; and "*the end of the bidding period. . .*" would have been selected in accordance with "wherein the condition is a time period. . . ." because such conditions would have facilitated complex on-line financial transactions, such as sealed bid auctions. (See Franklin col. 1, ll. 16-56).

Art Unit: 2162

5. Independent claim 15 and dependent claims 9-13 and 16-21 are rejected under 35 U.S.C. §103(a) as being unpatentable over Franklin in view of Minton 6,014,643 (01/11/2000) [f/d: 08/26/1996] (herein referred to as "Minton").

As per claim 9, Franklin in view of Minton shows the system of claim 8 (See the rejection of claim 8 supra).

Franklin (col. 3, line 12) shows a "*deterministic rule. . . .*"

Franklin does not explicitly show "the market specification console further comprising a plurality of rules wherein at least one rule is user-modifiable."

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest "the market specification console further comprising a plurality of rules wherein at least one rule is user-modifiable."

Minton proposes "user-modifiable" rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the "user-modifiable" rule modifications to Franklin, because addition of such modifications would have provided a means "*whereby individuals can buy and sell directly from each other. . . .*" (See Minton col. 2, ll. 46-57).

As per claim 10, Franklin in view of Minton shows the system of claim 9 (See the rejection of claim 9 supra).

Art Unit: 2162

Franklin does not explicitly show “wherein rules comprise market protocols.”

Minton (FIG. 5; FIG. 6; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “wherein rules comprise market protocols.”

Minton proposes market protocol modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the market protocol modifications to Franklin, because addition of such modifications would have provided a means “whereby individuals can buy and sell directly from each other. . . .” (See Minton col. 2, ll. 46-57).

As per claim 11, Franklin in view of Minton shows the system of claim 8[sic] (See the rejection of claim 8[sic] supra).

Franklin (FIG. 1; and col. 2, ll. 60-67) shows elements that suggest “a programmable auction server.”

Franklin does not explicitly show “wherein the market specification console is coupled to a programmable auction server wherein said programmable auction server is adapted to receive market protocols from said market specification console, the market specification console having a graphic user interface (GUI).”

Minton (FIG. 1; FIG. 2; FIG. 3; FIG. 4; FIG. 5; FIG. 6; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “wherein the market specification console is coupled to a programmable auction server wherein said programmable auction server is adapted to

Art Unit: 2162

receive market protocols from said market specification console, the market specification console having a graphic user interface (GUI).”

Minton proposes market specification console modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the market specification console modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 12, Franklin in view of Minton shows the system of claim 11 (See the rejection of claim 11 supra).

Franklin (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) shows elements that suggest “wherein a trader interface is coupled to a network.”

Franklin does not explicitly show “wherein a trader interface is coupled to a network. . . .” even though Franklin (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) suggests “wherein a trader interface is coupled to a network.”

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin’s (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) “*auction system 100 . . . can be a network. . . .*” would have been selected in accordance with “wherein a trader interface is coupled to a network. . . .” because such a network would have

Art Unit: 2162

facilitated complex on-line financial transactions, such as sealed bid auctions. (See Franklin col. 1, ll. 16-56).

As per claim 13, Franklin in view of Minton shows the system of claim 12 (See the rejection of claim 12 supra).

Franklin (col. 3, ll. 4-58) shows elements that suggest submitting a bid.

Franklin (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) shows elements that suggest “a trader interface is coupled to a network.”

Franklin does not explicitly show “a trader interface is coupled to a network. . . .” even though Franklin (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) suggests same.

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin’s (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) “*auction system 100 . . . can be a network. . . .*” would have been selected in accordance with “a trader interface is coupled to a network. . . .” because such a network would have facilitated complex on-line financial transactions, such as sealed bid auctions. (See Franklin col. 1, ll. 16-56).

As per claim 15, Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-28; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) shows elements that suggest a “method of designing a universal auction system comprising: generating a plurality of auction modules wherein at least one auction

Art Unit: 2162

module corresponds to at least one function of an auction selected from the group comprising of a bid verifier, an information manager, a clearer, and a registration manager . . . and . . . implementing at least one transaction comprising a bid verification, information dissemination, clearing, and registration of information.”

Franklin (col. 3, line 12) shows a “*deterministic rule. . .*”

Franklin does not explicitly show “specifying a plurality of rules wherein a transaction comprises at least one rule. . .” even though Franklin (col. 3, line 12) suggests “specifying a plurality of rules wherein a transaction comprises at least one rule.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “specifying a plurality of rules wherein a transaction comprises at least one rule.”

Minton proposes rule specifying modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule specifying modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . .*” (See Minton col. 2, ll. 46-57).

As per claim 16, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . .*”

Franklin does not explicitly show “displaying a rule to a market designer.”

Art Unit: 2162

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG.

11) shows elements that suggest “displaying a rule to a market designer.”

Minton proposes rule display modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule display modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 17, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin does not explicitly show “modifying at least one rule.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG.

11) shows elements that suggest “modifying at least one rule.”

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

Art Unit: 2162

As per claim 18, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . .*”

Franklin does not explicitly show “interpreting a scripted rule.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “interpreting a scripted rule.”

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . .*” (See Minton col. 2, ll. 46-57).

As per claim 19, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . .*”

Franklin does not explicitly show “generating a scripted rule.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “generating a scripted rule.”

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because



Art Unit: 2162

addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 20, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) shows elements that suggest “a programmable auction server.”

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin does not explicitly show “transmitting a rule to a programmable auction server.”

Minton (FIG. 1; FIG. 2; FIG. 4; FIG. 5; FIG. 6; FIG. 7; FIG. 10; FIG. 11; and FIG. 12) shows elements that suggest “transmitting a rule to a programmable auction server.”

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 21, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Art Unit: 2162

Franklin (col. 3, ll. 4-58) shows elements that suggest submitting a bid.

Franklin does not explicitly show "maintaining the status of bids."

Minton (FIG. 1; FIG. 2; FIG. 4; FIG. 5; FIG. 6; FIG. 7; FIG. 10; FIG. 11; and FIG. 12) shows elements that suggest "maintaining the status of bids."

Minton proposes bid status modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the bid status modifications to Franklin, because addition of such modifications would have provided a means "*whereby individuals can buy and sell directly from each other. . . .*" (See Minton col. 2, ll. 46-57).

## NEW CLAIM REJECTIONS

### CLAIM REJECTIONS — 35 U.S.C. §103(a)

The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person

Art Unit: 2162

having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Independent claims 1, 15 & 22 and dependent claims 2, 5 & 23 are rejected under 35 U.S.C. §103(a) as being unpatentable over Franklin et al. 6,055,518 (04/25/2000) [f/d: 11/12/1996] (herein referred to as "Franklin").

As per claim 1, Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-28; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) shows elements that suggest a "universal auction system having a programmable auction server, the programmable auction server comprising: a plurality of auction modules wherein at least one auction module corresponds to at least one function of an auction selected from the group consisting of a bid verifier, an information manager, a clearer, a registration manager, and a proxy bidder."

Franklin (col. 4, ll. 18-29; and col. 5, ll. 58-64) shows elements that suggest "a bid transformer . . . the bid transformer implements one of predetermined discriminating allocation market protocols and arbitrarily established discriminating allocation market protocols."

Franklin does not explicitly show "a proxy bidder. . . ." even though Franklin (col. 4, ll. 11-15) suggests "a proxy bidder."

Art Unit: 2162

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin's "*identity of a . . . bidder [is] not revealed. . . .*" (See Franklin col. 4, ll. 11-15) would have been selected in accordance with "a proxy bidder. . . ." because such security measures would have provided a means to optimize secrecy. (See Franklin col. 4, ll. 11-15).

As per claim 2, Franklin shows the system of claim 1. (See the rejection of claim 1 supra).

Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) shows elements that suggest "auction modules wherein at least one auction specification module performs at least one transaction selected from the group consisting of a bid verification transaction, an information management transaction, a clearing transaction, a bid transformation transaction, and a registration transaction."

Franklin does not explicitly show "auction modules wherein at least one auction specification module performs at least one transaction selected from the group consisting of a bid verification transaction, an information management transaction, a clearing transaction, a bid transformation transaction, and a registration transaction. . . ." even though Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) suggests same.

Art Unit: 2162

It would have been obvious to a person of ordinary skill in the art of on-line auctions that the disclosure of Franklin's (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) would have been selected in accordance with "auction modules wherein at least one auction specification module performs at least one transaction selected from the group consisting of a bid verification transaction, an information management transaction, a clearing transaction, a bid transformation transaction, and a registration transaction. . . ." because such measures would have provided means for implementing an on-line auction network. (See Franklin col. 2, ll. 1-3; and col. 3, ll. 1-50).

As per dependent claim 5, Franklin shows the system of claim 1 (See the rejection of claim 1 supra).

Franklin (col. 3, ll. 4-58) shows elements that suggest "at least one phase comprising an interval in which at least one transaction occurs, the transaction is selected from the group consisting of submitting a bid, admitting a bid, withdrawing a bid, and replacing a bid."

Franklin does not explicitly show "replacing a bid. . . ." even though Franklin (col. 3, ll. 4-58) suggests "replacing a bid."

It would have been obvious to a person of ordinary skill in the art of on-line auctions that Franklin's "*insert a bid. . . .*" would have been selected in accordance with

Art Unit: 2162

“replacing a bid. . . .” because such measures would have provided means for implementing an on-line auction network. (See Franklin col. 2, ll. 1-3; and col. 3, ll. 1-50).

As per claim 15, Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-28; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) shows elements that suggest a “method of designing a universal auction system comprising: generating a plurality of auction modules in a programmable auction server, wherein at least one auction module corresponds to at least one function of an auction selected from the group consisting of a bid verifier, an information manager, a clearer, and a registration manager . . .

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin (col. 4, ll. 18-29; and col. 5, ll. 58-64) shows elements that suggest “implementing at least one transaction selected from the group consisting of a bid verification, and a bid transformation . . . wherein the bid transformation is based upon one of predetermined discriminating allocation market protocols and arbitrarily established discriminating allocation market protocols.”

Franklin lacks an explicit recital of “implementing at least one transaction selected from the group consisting of a bid verification, and a bid transformation . . . wherein the bid transformation is based upon one of predetermined discriminating allocation market

Art Unit: 2162

protocols and arbitrarily established discriminating allocation market protocols. . . .” even though Franklin (col. 4, ll. 18-29; and col. 5, ll. 58-64) suggests same.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art that the disclosure of Franklin (col. 4, ll. 18-29; and col. 5, ll. 58-64) would have been selected in accordance with “implementing at least one transaction selected from the group consisting of a bid verification, and a bid transformation . . . wherein the bid transformation is based upon one of predetermined discriminating allocation market protocols and arbitrarily established discriminating allocation market protocols. . . .” because such measures would have provided means for implementing an on-line auction network. (See Franklin col. 2, ll. 1-3; and col. 3, ll. 1-50).

As per claim 22, Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) shows elements that suggest “a programmable auction server which includes a bid transformer that implements arbitrarily established discriminating allocation market protocols specified by at least one trading primitive, a bid verifier that determines acceptable bids, and a script interpreter for interpreting script protocol; a market specification console, connected to the programmable auction server during a network interaction, adapted to support a plurality of discriminating allocation market protocols, and the market specification console includes a script generator for translating trading primitives to temporal protocol script.”

Art Unit: 2162

Franklin does not explicitly show “a programmable auction server which includes a bid transformer that implements arbitrarily established discriminating allocation market protocols specified by at least one trading primitive, a bid verifier that determines acceptable bids, and a script interpreter for interpreting script protocol; a market specification console, connected to the programmable auction server during a network interaction, adapted to support a plurality of discriminating allocation market protocols, and the market specification console includes a script generator for translating trading primitives to temporal protocol script. . . .” even though Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) suggests same.

It would have been obvious to a person of ordinary skill in the art of on-line auctions that the disclosure of Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) would have been selected in accordance with “a programmable auction server which includes a bid transformer that implements arbitrarily established discriminating allocation market protocols specified by at least one trading primitive, a bid verifier that determines acceptable bids, and a script interpreter for interpreting script protocol; a market specification console, connected to the programmable auction server during a network interaction, adapted to support a plurality of discriminating allocation market protocols, and the market specification console includes a script generator for translating trading primitives to temporal protocol



Art Unit: 2162

script. . . .” because such measures would have provided means for implementing an on-line auction network. (See Franklin col. 2, ll. 1-3; and col. 3, ll. 1-50).

As per dependent claim 23, Franklin shows the system of claim 22 (See the rejection of claim 22 supra).

Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) shows elements that suggest “wherein the market specification console is coupled to a programmable auction server in which the programmable auction server is adapted to receive market protocols from the market specification console, the market specification console having a graphic user interface.”

Franklin lacks an explicit recital of “wherein the market specification console is coupled to a programmable auction server in which the programmable auction server is adapted to receive market protocols from the market specification console, the market specification console having a graphic user interface. . . .” even though Franklin (the ABSTRACT; FIG. 1; col. 2, ll. 21-36; col. 3, ll. 4-50; col. 4, ll. 18-29; col. 5, ll. 5-12; col. 5, ll. 32-36; col. 5, ll. 58-64 col. 6, ll. 38-42; col. 9, ll. 22-52; and col. 11, ll. 25-34) suggests same.

“Official Notice” is taken that both the concept and the advantages of “wherein the market specification console is coupled to a programmable auction server in which the programmable auction server is adapted to receive market protocols from the market

Art Unit: 2162

specification console, the market specification console having a graphic user interface.”

Said concept and advantages were well known and expected in the art by one of ordinary skill at the time of the invention. It would have been obvious to include “wherein the market specification console is coupled to a programmable auction server in which the programmable auction server is adapted to receive market protocols from the market specification console, the market specification console having a graphic user interface. . . .” because such concepts and advantages would have provided means to “*facilitate the exchange of several hundred million shares of stock every business day.*” (See Minton (col. 1, ll. 15-23)).

7. Dependent claims 9-10 and 16-21 are rejected under 35 U.S.C. §103(a) as being unpatentable over Franklin in view of Minton 6,014,643 (01/11/2000) [f/d: 08/26/1996] (herein referred to as “Minton”).

As per claim 9, Franklin in view of Minton shows the system of claim 22 (See the rejection of claim 22 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin does not explicitly show “the market specification console further comprising a plurality of rules wherein at least one rule is user-modifiable.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “the market specification console further comprising a plurality of rules wherein at least one rule is user-modifiable.”

Art Unit: 2162

Minton proposes “user-modifiable” rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the “user-modifiable” rule modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 10, Franklin in view of Minton shows the system of claim 9 (See the rejection of claim 9 supra).

Franklin does not explicitly show “wherein rules comprise market protocols.”

Minton (FIG. 5; FIG. 6; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “wherein rules comprise market protocols.”

Minton proposes market protocol modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the market protocol modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 16, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Art Unit: 2162

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin does not explicitly show “displaying a rule to a market designer.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG.

11) shows elements that suggest “displaying a rule to a market designer.”

Minton proposes rule display modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule display modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 17, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin does not explicitly show “modifying at least one rule.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG.

11) shows elements that suggest “modifying at least one rule.”

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

Art Unit: 2162

As per claim 18, Franklin in view Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin does not explicitly show “interpreting a scripted rule.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “interpreting a scripted rule.”

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because addition of such modifications would have provided a means “*whereby individuals can buy and sell directly from each other. . . .*” (See Minton col. 2, ll. 46-57).

As per claim 19, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (col. 3, line 12) shows a “*deterministic rule. . . .*”

Franklin does not explicitly show “generating a scripted rule.”

Minton (FIG. 5, el. 516; FIG. 6, el. 628, and el. 610; FIG. 7; FIG. 10; and FIG. 11) shows elements that suggest “generating a scripted rule.”

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because

Art Unit: 2162

addition of such modifications would have provided a means "*whereby individuals can buy and sell directly from each other. . . .*" (See Minton col. 2, ll. 46-57).

As per claim 20, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Franklin (FIG. 1; col. 2, ll. 60-67; and col. 3, ll. 1-3) shows elements that suggest "a programmable auction server."

Franklin (col. 3, line 12) shows a "*deterministic rule. . . .*"

Franklin does not explicitly show "transmitting a rule to a programmable auction server."

Minton (FIG. 1; FIG. 2; FIG. 4; FIG. 5; FIG. 6; FIG. 7; FIG. 10; FIG. 11; and FIG. 12) shows elements that suggest "transmitting a rule to a programmable auction server."

Minton proposes rule modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the rule modifications to Franklin, because addition of such modifications would have provided a means "*whereby individuals can buy and sell directly from each other. . . .*" (See Minton col. 2, ll. 46-57).

As per claim 21, Franklin in view of Minton shows the system of claim 15 (See the rejection of claim 15 supra).

Art Unit: 2162

Franklin (col. 3, ll. 4-58) shows elements that suggest submitting a bid.

Franklin does not explicitly show "maintaining the status of bids."

Minton (FIG. 1; FIG. 2; FIG. 4; FIG. 5; FIG. 6; FIG. 7; FIG. 10; FIG. 11; and FIG. 12) shows elements that suggest "maintaining the status of bids."

Minton proposes bid status modifications that would have applied to the on-line auction system of Franklin. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to add the bid status modifications to Franklin, because addition of such modifications would have provided a means "*whereby individuals can buy and sell directly from each other. . . .*" (See Minton col. 2, ll. 46-57).

### RESPONSE TO ARGUMENTS—707.07(f)

8. The following is an excerpt of MPEP 707.07(f): "Where the [A]pplicant traverses any rejection, the examiner should . . . take note of the [A]pplicant's argument and answer the substance of it."

Applicant's arguments filed 5/17/2001, "Amendment A" (paper #5) have been fully considered but they are not persuasive for the following reasons:

Applicant's amendments to the claims 2, 5, & 9 did not change the substance of the claims on the merits ; and

Art Unit: 2162

Applicant's arguments against the 35 U.S.C. §103(a) rejections fail to comply with 37 CFR 1.111(b) because they amount to a general allegation that the claims define a patentable invention; furthermore,

Applicant's amendments to claims 1 & 15 and the addition of claims 22 & 23, necessitated the new grounds of rejection presented in this Office action. Accordingly,

**THIS ACTION IS MADE FINAL.** SEE MPEP §706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.



Serial Number: 09/339,325 (Shoham et al.)

Art Unit: 2162

### CONCLUSION

9. Any response to this action should be mailed to:

BOX AF

Commissioner of Patents and Trademarks

Washington, D.C. 20231

Any response to this action may be sent via facsimile to either:

(703) 308-6165 or 305-6606 or 308-6296 (for formal communications marked

EXPEDITED PROCEDURE), or

(703) 308-5397 (for informal communications marked PROPOSED or DRAFT).

Hand delivered responses may be brought to:

Sixth floor Receptionist

Crystal Park II

2121 Crystal Drive

Arlington, Virginia.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to John L. Young who may be reached via telephone at (703) 305-3801. The examiner can normally be reached Monday through Friday between 8:30 A.M. and 5:00 P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, may be reached at (703) 305-8469.

Serial Number: 09/339,325

(Shoham et al.)

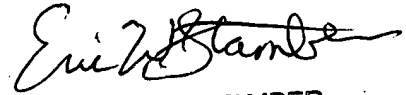
33

Art Unit: 2162

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 305-3900.

John L. Young 

Patent Examiner



ERIC W. STAMBER  
PRIMARY EXAMINER

August 13, 2001